

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

COMPASS, INC.,

Plaintiff,

v.

ZILLOW, INC., ZILLOW GROUP, INC., and
TRULIA, LLC,

Defendants.

Case No. 1:25-cv-05201-JAV

**DECLARATION OF WILL HARDY IN SUPPORT OF
PLAINTIFF'S MOTION FOR A PRELIMINARY INJUNCTION**

I, Will Hardy, declare as follows:

1. My name is Will Hardy, and I am the Chief of Staff to the Chief Executive Officer at Compass, Inc. ("Compass").

2. I submit this Declaration in support of Plaintiff Compass's Motion for a Preliminary Injunction. I have personal knowledge of the matters set forth in this declaration.

3. I have been employed by Compass since 2017 and, before assuming my current role, previously served in several roles at the company, including Strategic Growth Manager, Senior Strategic Growth Manager, and Director of Strategic Growth. In my current role, I help execute the vision of Compass's founder, Chief Executive Officer, and Chairman of the Board of Directors, Robert Reffkin, and I am involved in major corporate strategy and decision making.

I. Compass and its Innovative Technology

4. Compass was founded in 2012 as a disruptor in an otherwise traditional and stagnant real estate industry.

5. Since its founding in 2012, Compass has grown into a nationwide brokerage with over 400 offices across the United States and over 33,000 real estate agents.

6. Compass's success is made possible in part by its investment in the innovative technology and strategies it provides to its real estate agents and their clients. In a world increasingly powered by technology, Compass is focused on creating the first modern real estate platform for real estate agents' needs, including generating new business, listing, pricing, marketing, searching, touring, collaborating with buyers and sellers, managing offers, transaction closing, and more.

7. Compass's agent-facing technology platform allows its agents to perform their tasks with a single log-in and without leaving the platform. The platform includes an integrated software suite providing customer relationship management, marketing, and inventory searching functionalities. As explained in more detail below, agents can use the platform to search for private listings that are not publicly marketed. The platform also can create insight reports and facilitate reverse prospecting, whereby a listing agent can identify other agents within Compass whose clients have expressed interest in, or have property search history that aligns with, the seller's listing based on the property's specifications, features, and location.

8. Compass has also developed client-facing technologies. Compass Collections, for instance, is a visual workspace that allows agents and their clients to collaborate in real time, setting listing alert notifications and filtering and commenting on potential and posted listings. In February 2025, Compass also launched Compass One, an all-in-one client dashboard, where clients and agents review transaction timelines, exchange listings, coordinate schedules, send documents, and otherwise execute the entire home-buying and home-selling experience in one, single place.

9. Critical to Compass's brand and future growth is its sophisticated public-facing website, Compass.com. Compass.com aggregates listings from local multiple-listing services ("MLSs") so consumers can view listings across the nation, thereby providing Compass clients and real estate consumers a platform to view Compass and non-Compass listings alike. These listings include Compass "Coming Soon" listings that the general public cannot yet access on any other public platform and Private Exclusives, which are advertised on Compass.com but can only be seen by clients working with a Compass agent. Also important to Compass's platform and its growth is the Compass mobile application, through which home searchers can also search for Compass listings.

10. Compass has invested hundreds of millions of dollars to develop these technologies. Today, Compass has a large team of over one hundred product and engineering professionals who develop and support Compass's technology and software tools.

II. Compass's Investment in and Launch of the 3-Phased Marketing Strategy

11. Another central way that Compass has distinguished itself from its competitors recently is through its novel "inventory-based" strategy, meaning that Compass shares its property listings (i.e., its "inventory") internally or publicly on its own platforms for a certain period before launching them publicly on an MLS.

12. Compass agents had used Private Exclusives before, but first began conceptualizing a broader inventory-based strategy in 2018 and 2019 when it began experimenting with what Compass refers to as "Coming Soon" listings. At that time, Coming Soon listings were displayed on Compass's website, Compass.com, but not publicly on local MLSs or home search platforms like Zillow. While Compass was very intrigued by these strategies, it put on hold development of its inventory-based strategy efforts in 2020 due to the

National Association of Realtor's ("NAR") adoption of the Clear Cooperation Policy ("CCP") and certain expenditure and operational issues with Compass's business driven by the COVID-19 pandemic. During the pandemic years, Compass dedicated significant resources to revamping its cost structure and reducing its expenses, which caused development of its inventory-oriented strategy to be deprioritized.

13. Beginning around April 2024, after Compass had successfully implemented its cost-cutting mechanisms and turned the post-pandemic corner, Compass began to re-evaluate how to grow its business and position itself competitively. As part of those efforts, Compass developed a three-to-five-year forward-looking business strategy. One central pillar of Compass's go-forward strategy was launching its new inventory-focused "3-Phased Marketing Strategy." As noted above, some ideas underlying this model had been used historically within the real estate industry, but Compass saw potential to weave these different strategies together into a cohesive model and leverage its technology and customer-facing platforms to launch it at scale. Compass became more confident in this strategy after speaking with Compass agents who already had been using aspects of the strategy.

14. The 3-Phased Marketing Strategy proceeds in the following three phases:

- a. **Compass Private Exclusive:** In Phase 1, the seller and agent privately market the property to other Compass agents, their clients, and agents at other brokerages in a 1:1 manner. Just as many companies test products with a smaller audience before launch, listing a home as a Private Exclusive allows a seller to test price, gain critical insights, and generate early demand before going public.
- b. **Compass Coming Soon:** In Phase 2, the listing moves to "Coming Soon" status and is publicly launched on Compass.com, showcasing it to all agents and

consumers without displaying days on market, price drop history, or other negative insights. This is a signal to prospective buyers that increased competition for the listing will be coming soon when it is launched on all other sites, and it provides another chance for the seller and agent to collect valuable feedback.

- c. **Active on MLS and Home Search Portals:** The final phase is going active on the MLS and third-party sites, now armed with the benefit of price discovery and other information gained from Phases 1 and 2. With the listing live on the MLS and third-party sites, it will, for the first time, accrue days on market, visible price-drop history, and other negative insights created by platforms like Zillow.

15. In November 2024, Compass announced the official launch of its 3-Phased Marketing Strategy at an internal company retreat and began a wider roll-out. As part of the go-to-market roll-out of the program, Compass's corporate office developed more formal training initiatives to coach agents on the model and educate them on how to describe the benefits to home sellers.

16. As part of the roll-out, Compass invested millions of dollars and significant resources. Its executives, including myself, have spent hundreds of hours honing the strategy and developing training and marketing materials. One example is that Compass purchased digital ads for sellers agents whose listings moved from the Private Exclusive to Coming Soon phase to provide the homes additional exposure. Compass also planned to make a meaningful investment in media "blitzes" and billboard purchases in Compass's largest markets, highlighting to buyers that they should search Compass.com to find homes for sale before they are available on other home search platforms like Zillow.

17. Since I joined Compass, I am not aware of any other Compass initiative that has been as successfully used and implemented by Compass agents and their clients in as short a period. Compass's agents are independent contractors, and Compass does not require its agents to run their businesses in a specific manner or sell homes in specific ways, except for general compliance obligations. Accordingly, it cannot and does not mandate that its agents adopt the 3-Phased Marketing Strategy for use with their clients. Instead, Compass can educate its agents on the benefits of the program and provide support—with the hope that its agents will recognize the merits and voluntarily deploy the strategy with their clients. Similarly, agents can present the 3-Phased Marketing Strategy to their home sellers as an option, but it is ultimately up to the home sellers to choose the marketing strategy they prefer and that they think best suits their individual circumstances and needs. As fiduciaries to their home selling clients, agents must honor their clients' wishes and do what is in the best interest for their clients.

18. Home sellers and their agents have started to choose the 3-Phased Marketing Strategy, as the benefits associated with the 3-Phased Marketing Strategy have resonated strongly with them. There are multiple benefits that flow from pre-marketing a property using the 3-Phased Marketing Strategy, such as:

- a. **Test Aspirational Price:** Marketing a listing before going live on MLS allows a seller to test demand for the property, gather feedback, and receive responses on listing price without accumulating days on the market or damaging public price drops. Buyers typically view excessive days on market and a history of price drops negatively.
- b. **Harness the Power of Pre-Marketing:** Homeowners may need to make improvements to their property or “stage” the property before officially listing it

for sale. Pre-marketing the property before launching it on MLS permits the seller to gauge buyer interest before investing time or effort into preparing the home for the public.

- c. **Learn from Engagement Insights from the Listing Page:** By soft launching a listing to a smaller group of potential buyers, a homeowner can create buzz and generate interest in a listing. This way, when the listing goes live on the MLS and home search portals like Zillow, the home seller already has interested buyers ready to tour the property.
- d. **Protect Client Privacy:** Some homeowners value their privacy and do not want photos and details regarding their property and floor plan to be posted publicly. By avoiding MLS and broad public marketing for a period, a seller can ensure that only a limited number of agents and serious buyers are viewing their listing. And they can receive competitive offers from buyers that are willing to pay a premium to secure the property before it launches to the public, which the seller can consider accepting before the listing is more broadly disseminated.

19. These benefits drive tangible results for home sellers. Listings launched under the 3-Phased Marketing Strategy on average generate 16% more open house traffic, solicit 17 times more direct inquiries, sell in 21% fewer days, and sell for 2.9% higher once displayed on the MLS and Zillow during phase three.

20. Buyers also receive benefits from the 3-Phased Marketing Strategy, and many have expressed these benefits to their agents. Based on my experience, agents and home buying clients have been happy with the strategy because it helps to “unlock” inventory, giving buyers an opportunity to see homes that otherwise may not be ready for a fully public listing. Even if the

buyers do not buy a house that is coming soon, it provides them with confidence when they bid on another property that they are not missing out on the next best properties coming to the market because they already have seen such properties during their coming soon status. In addition, the strategy provides home buyers with more time to see homes, which allows them to schedule home showings around their schedule, make more informed decisions, and prepare and put forth stronger offers. In times of limited inventory, these benefits provide important value to these buyers, who have a leg-up competing against other buyers for their homes.

21. Compass's agents also view the 3-Phased Marketing Strategy as a powerful marketing tool. Home sellers often interview multiple agents at different brokerages before selecting their listing agent. I have heard from agents that they have successfully won listings because the home seller loved the 3-Phased Marketing Strategy, and the agent was able to use the model as a unique offering that agents at other brokerages did not provide, thereby differentiating themselves.

22. Earlier this year, Compass solicited feedback on the model from its agents. I helped oversee and deploy this survey to our agents and have reviewed the responses. The survey responses were uniformly positive, with agents sharing the following responses as examples:

- a. One agent explained that Compass's 3-Phased Marketing Strategy allowed her client to "create anticipation" and "urgency" for her listing and secure "two offers by the first day being on the market."
- b. Another agent described the 3-Phased Marketing Strategy as a "total game-changer," explaining that as soon as she posted the listing publicly off MLS, one of her followers requested to see the listing once it went live and two non-Compass agents inquired about the property after finding it on the Compass

website. She concluded that her experience “reinforced how powerful [the 3-Phased Marketing Strategy] really is. It creates a real sense of urgency, brings in interest from outside our network...”

- c. Another agent wrote that the 3-Phased Marketing Strategy allowed her clients to “build early demand with a Private Exclusive, launch publicly with the strongest possible positioning, and optimize based on real-time feedback. It protects their home’s value, minimizes days on market, and often leads to faster, stronger offers. My clients appreciate how strategic, flexible, and buyer-focused the entire process is.”
- d. An agent representing a buyer explained that the client “was searching for a home in a very specific neighborhood. Thanks to our access to [Private Exclusives], we found a home that was a perfect match. The seller was open to early showings, and we were able to move quickly and our buyer got the house. A perfect example of how the right strategy and timing make all the difference!”

23. The 3-Phased Marketing Strategy has also been critical to Compass Plus, a specialized division within Compass that assists senior citizens with their real estate transitions. These clients need significant help in preparing the home for sale, scheduling showings, and managing the process. The 3-Phased Marketing Strategy has been an important tool to help these home seller clients take their time while gaining critical feedback on their homes.

24. Although almost all Private Exclusive and Coming Soon listings ultimately proceeded to public sales on the MLS (94% of all Compass sold homes, including those that were pre-marketed as a Private Exclusive and/or Coming Soon, were sold on the MLS in 2024), the seller still receives strong benefits from having gone through the first two stages before

launching the listing publicly. Those home sellers go to market with more confidence, more information, and an enhanced strategy about how to best market and sell their homes, all while avoiding the downside risks that come with listing without this information (or acquiring it in real time once the property is listed and starts to acquire days on market, price reductions, or other negative insights).

25. Compass executives who have worked on promoting the 3-Phased Marketing Strategy within the brokerage, including myself, have been very encouraged by how the strategy has been adopted by agents. For context, in November 2024, only 4.5% of Compass listings used the 3-Phased Marketing Strategy; as of April 2025, that percentage had increased to almost 38%. By the first quarter of 2025, nearly half of Compass's listings had employed the strategy by going through some form of pre-listing marketing activity. These results would not have been possible without agents, home sellers, and home buyers all seeing immense value in the strategy that Compass has created.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed this 26 day of June 2025.



Will Hardy